

**Crawford<sup>®</sup>**

**built**

**for the future:  
insurance  
claims in 2026**

Crawford & Company<sup>®</sup> | U.S. Predictions Report

February 2026



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## INTRODUCTION

## Knowledge and experience are the building blocks for long-term success.

### The new calendar year may bring a fresh beginning, but that doesn't mean we need to fully start over.

Each year comes on the back of learnings from previous years; we simply know more today than we did yesterday. And if we are smart, we will use that knowledge to prepare for what may lie ahead.

2026 will bring plenty of changes that require preparation from the insurance industry. The market is softening for the first time in quite a while. Consumers and media alike are taking a sharp look at insurance, with questions of affordability and accessibility at the forefront of those discussions.

The way we interact with technology – and how we subsequently use it to interact with our clients – continues to evolve. And, of course, there is the omnipresent question of what Mother Nature has in store for us in the coming year.

Because Crawford sits squarely between carriers and their clients, we have a front row seat to how these issues play out in the insurance ecosystem. We see the decisions that are being made by insurers, and we see how they filter down to the end insured. We are both trusted partners and independent observers. As a result, we have a unique perspective – and a responsibility, we believe, to share that perspective with others.

And so, with 2026 newly underway, we asked Crawford leaders to weigh in on what the new year holds for the claims industry. Their predictions align with four key themes: catastrophe recovery, data and automation, digital trends and industry evolution. These insights may give new food for thought, or they may confirm much of what you are already seeing in your own business. Either way, we hope they help you plan and prepare for the year ahead.



**Mike Hoberman**  
CEO, U.S. Operations  
Crawford & Company

 **11.2%**

Increase in average U.S. homeowners' insurance premiums (2021-2022)

– [May 2025 study by the National Association of Insurance Commissioners](#)

 **9.7%**

Year-over-year U.S. increase in P&C direct premiums written (2024)

– [NAIC's 2024 Annual Property & Casualty and Title Insurance Industries Analysis Report](#)

## CATASTROPHE RECOVERY TRENDS

**Natural catastrophes are inevitable – and unpredictable. But what happens next is well within our control, and that’s where the focus will be in 2026.**

## PREDICTION ONE



“2026 will be the year that intention becomes action as more structure starts to form around a standardized way of thinking about natcat resiliency.”

**LANCE MALCOLM**

PRESIDENT,  
NETWORK SOLUTIONS,  
CRAWFORD & COMPANY

From resilient rebuilding trends to regulation of personal property relief, the claims industry is part of some of the most important conversations and the biggest loss events taking place in the U.S. today. Safer structures, rapid claim payouts and full recovery for claimants are lofty goals, but our industry has a strong opportunity to effect meaningful change.

Despite a lot of conversation around resiliency, there has not been much forward progress to date in fortifying properties. In 2026, what has previously been a patchwork of individual approaches to resiliency rebuilds across the insurance industry will start to converge into more of a standardized industry way of thinking.

Though the building blocks for this shift have been put in place with progress made in preparing

and building out programs, rebuilding from large catastrophe events like the 2025 California wildfires presents a clear opportunity to apply consistent resiliency efforts. In the coming year, we will start to see more structure form around not just the discussion of resiliency, but around putting it into action. There will be more support across the industry, more coordinated efforts to educate homeowners and contractors, and more dollars available and funding mechanisms coming online so that this happens in a meaningful way. From insurance endorsements that will cover a certain percentage of the cost to replace a roof with a resilient shingle, to money available via loans or grants to help homeowners pay for that kind of upgrade, to private financing, concrete ways to add resiliency into the rebuilding effort will continue to emerge.

**115**

Billion-dollar U.S. weather and climate disasters (2019-2024)

– [NOAA's National Centers for Environmental Information \(NCEI\) U.S. Billion-Dollar Weather and Climate Disasters](#)

## PREDICTION TWO



“New regulation will drive the claims industry to re-examine how speed and accuracy are balanced in post-disaster recovery.”

**MELANIE HUGHES**

PRESIDENT, EDJUSTER

When California’s SB 495 takes effect in 2026, it will mark a pivotal test of how the insurance industry balances speed and accuracy in post-catastrophe recovery. The law’s guaranteed 60% advance on personal-property coverage underscores a growing recognition that affected homeowners need immediate relief. However, it also highlights a lingering challenge: relief alone doesn’t equal full recovery.

In light of this legislation, the onus will be on claims organizations to refine hybrid approaches that combine rapid payouts with structured, technology-supported documentation so that every loss is fully accounted for when rebuilding begins. The coming year will likely see insurers and service partners align more closely around transparent processes that honor both empathy and accountability. Ultimately, the evolution of wildfire-response claims may define a broader shift across the property-claims ecosystem, one where empathy and precision become parallel imperatives rather than competing priorities.


 **2025**

Costliest claims year for non-peak perils

– [MUNICH RE REPORT](#)

## DATA AND AUTOMATION TRENDS

**The claims industry finally has some clarity about where and how to use data and automation, driving increased confidence in these capabilities.**

## PREDICTION THREE



“As AI drives more claims automation, we will see more straight-through processing of low complexity claims in 2026.”

**JOEL RAEDEKE**

SENIOR VICE PRESIDENT,  
U.S. TECHNOLOGY,  
CRAWFORD & COMPANY

We’ve been talking about productivity, operational efficiencies and AI-driven offerings for several years now. We expect 2026 to bring true results in this space.

The first use cases for claims automation are within our grasp. Layered with the growing impact of analytics-based insights, the promise of data will start to be realized, and carriers will reap the benefits.

Low complexity claims are strong early candidates for straight-through automation in the coming year, as advances in AI are increasing the likelihood that some claims will pass through all decision gates to auto-approval, without any need for assignment to a human adjuster.

Return to work processes will also be automated for some claims. While maintaining ownership of the claim strategy and key decisions, the adjuster will have more opportunities to delegate to subprocesses. Taking on more of a lawyer/paralegal model, the adjuster assistant function will involve a centralized resource that leverages analytical tools and finely crafted AI for optimal processing. In 2026, we will see this mature into the beginnings of an AI assistant.

As AI increasingly finds its way into claims automation, the adjuster workforce will evolve along with the technology. Adjuster training will shift to address the growing need for AI literacy, interpretability and judgment in direct use of AI. Those who embrace this shift and learn to work in tandem with the technology will be well-positioned for success.

 **3-5%**

Increase in claims accuracy among insurers embedding AI into core functions

— [MCKINSEY](#)

## PREDICTION FOUR



“Data-driven transparency into adjuster performance will become table stakes for TPAs.”

**ROB EVANS**

DIRECTOR, CLAIM PROCESS TECHNOLOGY, BROADSPIRE

Across the insurance landscape, data analytics have become a core expectation as stakeholders look to these tools not just to organize information, but to shed light on performance, efficiency and outcomes. In the coming year, clients will place increasing pressure on their Third Party Administrator (TPA) partners to deliver meaningful, analytics-backed insight into adjuster performance, revealing both areas of excellence and those in need of support.

With experienced adjusters retiring in greater numbers, new talent entering the workforce and policyholder expectations climbing, the ability to visualize performance trends and caseload balance will become a vital differentiator. Beyond tracking metrics, this intelligence will help organizations pinpoint where workloads may need redistribution and provide objective context when complaints or anomalies arise. Ultimately, this level of analytics-driven transparency will give clients confidence that financial decisions are made on accurate, undeniable data.



 **76%**

U.S. insurers using generative AI in one+ business function

— [2024 DELOITTE SURVEY](#)

## DIGITAL TRENDS

**Data and technology advances are not the only AI-driven successes on the horizon. We are also poised to enjoy greater personalization and clarity throughout the policy lifecycle.**

## PREDICTION FIVE



“2026 will bring increased personalization in P&C policies, pricing and claims processes.”

**LARRY MILBURN**

SENIOR VICE PRESIDENT,  
DIRECTOR OF STRATEGIC  
PARTNERSHIPS, CRAWFORD  
& COMPANY

Clarity and personalization will be met with open arms by the claims community. But as AI becomes more integrated into operational processes, legislators are taking notice. Watch for more cyber and AI regulation to come to the forefront in 2026, driving an uptick in associated claims. As we are learning ourselves, we will also be called upon to support insureds through their own journey.

Each year has brought additional strides as the insurance industry continues its migration from a legacy-driven environment into an innovative, focused digital culture. 2026 will be the year that AI has a significant impact on policy pricing and claims processing in the P&C space, as the ability to store, compile and analyze large amounts of data drives increased customization throughout the policy lifecycle.

On the policy pricing side, technology will enable more control over policy customization based on unique details about a property – from the materials used to build the house, to how far it is from a fire hydrant, to the number of claims that have previously been made on the dwelling. On the claims side, we will increasingly see AI’s data and document management capabilities leveraged in coverage determination and fraud detection processes.

AI’s capabilities, from quickly parsing large policy documentation to determining whether photographs have been submitted previously, will be instrumental in accelerating the claims processing timeline. Collectively, these capabilities will enable our industry to better meet customer expectations in the coming year.

 **52% vs. 4%**

Customers likely to switch insurers after a poor vs. excellent digital claims experience

– [J.D. POWER'S 2025 U.S. CLAIMS DIGITAL EXPERIENCE STUDY](#)

## PREDICTION SIX



“An uptick in cyber regulation will drive more activity and associated expenses from panel providers.”

**K ROYAL**

GLOBAL CHIEF PRIVACY OFFICER AND DEPUTY GENERAL COUNSEL, CRAWFORD & COMPANY

Agencies regulating and setting AI and cyber policy will expand their reach in 2026, and laws initially designed to protect national operations and critical infrastructure will trickle down to have an impact on companies with more run-of-the-mill data breaches. As these regulations and enforcement activities increase, we will see an uptick in insureds who are hitting high deductibles and filing cyber claims. This, in turn, will drive a need for even more specialization from the professionals that provide cyber incident support – from panel providers to forensics and cyber investigators to the lawyers that handle data incidents.

The onus will be placed on each of these providers to stay current in their technology and legal expertise, and the expense for that expertise will be passed along to the insureds, further driving up the cost of cyber claims in the coming year.



## INDUSTRY TRENDS

**Insurance patterns are cyclical, and 2026 will be no exception. Look for severity to be up, frequency down and indemnity costs to rise – all of which will result in a structural shift in the market.**

## PREDICTION SEVEN



“Severity will become the dominant cost driver in 2026 as frequency continues to decline.”

**JEFF SICKLES**

PRESIDENT, BROADSPIRE

Expect to see a healthy mix of captives and traditional insurance products bubble to the surface to address the resulting medical and indemnity market needs. Amidst these shifts, agility, a nimble mindset and the ability to flex resources will be the name of the game for claims teams now more than ever.

In 2026, we will see medical and indemnity cost severity continue to rise faster than frequency continues to fall. On the medical side, cost severity will be driven by higher utilization, shifting treatment patterns and rising unit costs. Injured workers are receiving more physical medicine, diagnostic imaging and surgical interventions, all of which carry higher price tags than the drug-driven models of prior years.

At the same time, indemnity costs will trend upward as wages rise, return-to-work timelines lengthen and psychosocial factors become more prominent. Many employers are still navigating hybrid work arrangements and labor shortages, both of which can slow modified duty placements. When medical care takes longer and employee reintegration becomes more complex, indemnity naturally expands, regardless of how many claims enter the system.

The result will be a structural shift: even if the industry continues to see fewer reported injuries, those claims will be materially more expensive. For risk managers and employers, 2026 will be the year when severity becomes the dominant driver of total loss costs. Those who stay ahead of this curve will be the ones investing in strong medical management partners, proactive nurse-case engagement and claim-level analytics that help illuminate where, and why, money is being spent.

 **93.5%**

Increase in commercial auto liability claim severity despite declining frequency (2015–2024)

– [INSURANCE INFORMATION INSTITUTE](#)

**PREDICTION EIGHT**

“A shift in the market cycle will put pressure on captives in 2026, possibly bringing organizations back to the traditional market.”

**BOB WELSH**

SVP/MANAGING DIRECTOR,  
GLOBAL TECHNICAL  
SERVICES, CRAWFORD &  
COMPANY

As 2025 comes to a close, property insurance rates have stabilized and are beginning to decline, particularly on big shared and layered programs. This has the potential to put pressure on the captive market in 2026.

Captives have grown in popularity in the past five years because of the hardening commercial property market. But as traditional insurance products become affordable again, there will be some rethinking of captive formation. We will still see a healthy mix of traditional insurance products and captives in the commercial property space, but the decision about which of those are right for an organization is going to look different in the coming year.

Declining rates, more affordable traditional risk transfer and increased capacity will all bring more options for policyholders. For businesses that have tried captives during the hard market and had a good experience, there will be no reason not to continue. For those who've held out on captives or haven't had a great experience, the traditional market will be more of an option than it's been in recent years.



**PREDICTION NINE**

“2026 will test the industry’s agility in preparing for what can’t yet be predicted.”

**JEFF DAVIS**

VICE PRESIDENT, GLOBAL  
TECHNICAL SERVICES,  
CRAWFORD & COMPANY

As natural catastrophe activity grows increasingly erratic, 2026 is poised to challenge insurers not only through the scale of events themselves, but through the uneven flow of claims that arise in their aftermath. Despite ongoing progress in modeling and predictive analytics, storm patterns continue to defy expectations, making it difficult to anticipate the precise location, timing and intensity of losses. This growing volatility will introduce new challenges for both carriers and their partners as they prepare for post-event response.

To stay agile, organizations will need to refine their surge-readiness and staffing strategies, so that they can rapidly adjust resources to match the scope and distribution of each event as it unfolds. This dynamic will also underscore the importance of strong, trust-based relationships between carriers and independent adjusting firms, ensuring that when demands surge, deployment can be achieved through partnership rather than pressure.



## CONCLUSION

**The themes our senior leaders have identified are all key areas to watch as we enter 2026, but they are certainly not the only issues on the table.**

We can't predict everything that will happen in the coming year. But we can use our deep expertise to plan for the unexpected. Leaning in to anticipated trends in catastrophe recovery, data and automation, digital, and the greater industry will surely put claims organizations in a better prepared and more resilient position – and that, in turn, will make space for the curveballs we can't predict.



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